



# HIGHER EDUCATION SYSTEM: IMPACT ON INDIAN ECONOMY

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## ABSTRACT

Today, Higher Education is widely deliberated and researched and so has an unprecedented prominence. This paper examines the extent to which Higher Education impacts the Indian economy. If Higher Education is to constructively contribute to the economy then the lacunae need to be identified, isolated and rectified. Indian economy is compared with other Asian economies in the framework of shortfalls in the Higher Education system. The paper also examines the parallel evolution of higher education and economic growth in the country since independence. It also analyses the efficacy of government initiative in this regard.

**KEYWORDS:** Higher Education, Evolution, Government initiatives, Economic growth.

## Introduction

Indian education system was an instrument of colonial ascendancy but today, it aspires to be egalitarian and is affirmatively action-oriented. From 1990 to 2010, Indian economy boasted of unprecedented growth. It is, therefore, imperative to drive higher education forward or else face economic downfall. But the Indian higher education system and the economy have to grapple with a plethora of politico-administrative and sociological shortfalls. The chronological evolution of Higher Education has had a corresponding impact on the Indian economy. In the independence era, the Indian economy and the Higher Education System was overburdened with the weight of colonialism. The economy was predominantly agrarian and the industrial and textile sector limited. But, in the post-independence era, the Soviet Union had a sway on Pandit Nehru and so the socialist leanings made Nehru decide to promote industrialization through central planning. Heavy investments were made by the state in technology-engineering. The writing on the wall for India was loud and clear: globalize or perish. At last, India rose to the possibilities. Prime Minister, Manmohan Singh (2005) forecasted that the twenty first century will be "Knowledge Century", paving the way for India's prospects for emerging as a knowledge economy. He referred to the socio-economic transformation that the country has projected to go through in the 21st century as a result of knowledge creation. The whole idea of building a knowledge society was the idea of empowering young men and women through education and ensuring that all our delivery systems are built on the premise of the latest knowledge. The working age population can be an asset only if their potential employability is brought to fruition; else this demographic group can turn out to be a heavy economic and social milestone.. It is expected that our demographic profile, with 550 million below the age of 25 has the potential to constitute one-fourth of the global work force by 2020.

## Annual Report (MHRD) 2011-12

Key points and statistics 2010-11

- The number of educational institutions in India has seen more than 50 fold growth in the last six and a half decades.
- Majority of higher education institution in the vocational and professional sphere are privately owned and managed.
- India had 14 open universities and 120 distance education institutions.
- India will be the most populous country by 2030 and more than half of its population will be less than 25 years of age
- Still level of the available manpower at present is inadequate, resulting in markedly low productivity.
- A large number of graduates are unemployed or under employed. There is an acute shortage of skilled workers in the knowledge-intensive industry.
- Shortage of skill intensive education is compounded by a parallel dearth of soft skills.

## The UGC

This plan is structured to remedy the fundamental lapses in the Indian Higher Education System. It says that those autonomous colleges that show promise will be identified as "colleges with potential for excellence (CPE) and upgraded into universities. UGC has allotted 1,84,740 crores for this. The idea is to ease the load of universities overburdened with students and working with a limited bud-

get. UGC says a university should not have more than 50 affiliated colleges and the total enrolment not to exceed 50,000 students. The criteria are spelled out clearly and performance evaluation will be the basis for advancement of both state and central colleges to universities. The plan has allocated more funds for increasing the National Gross Enrolment Ratio (GER).

## The National Skill Development Corporation of India (NSDC)

NSDC is a public-private partnership. It aims to promote skill development by fostering vocational institutions. It operates through advocacy and initiatives supported by the Government of India and industry associations. There are sector skill councils which help skill development in labour in specific sectors.

## Ministry of Human Resource Development (MHRD)

The responsibility of furthering higher education lies with the MHRD. The MHRD sponsored initiatives include projects such as the National Commission for Higher Education and Research (NCHER) and the Education Tribunals Bill 2010. The International Cooperation Cell (ICC) is responsible for projects related to institutional collaborations, quality assurance, scholarship etc. The noteworthy initiatives in international cooperation are: India-US Higher Education Summit, Singh-Obama Knowledge Initiative, UK-India Education and Research Initiative and United States Indian Education Foundation. Under the aegis of UNESCO, there are a lot of collaborative and leadership programmes.

## The Confederation of Indian Industry (CII) initiatives in skill development.

The CII has launched its own "Skills Development Initiative" in line with the National Skills Development Agenda with the goal of skill training a target of 500 million people by the year 2022. The CII aims to promote entrepreneurship and enterprise in the country. It looks at the needs of Indian industries and furthers the employability of the working population.

## Internationalization of Higher Education in India and its impact on the economy

Internationalization of Higher Education in India is a fall out of the liberalization that the country went through since the early nineties as part of a deliberate politico-economic strategy by the state.

## OBJECTIVES OF MHRD

Formulate the National Policy on Education and ensures that it is implemented in letter and spirit ?Planned development, including expanding access & improving quality of educational institutions throughout the country ?Promote gender equity and social inclusion of disadvantaged groups as SC/ST, minorities & economically weak sections of society ?Provide financial help in the form of scholarships, loan subsidy, etc to deserving students from marginalised sections of the society ?Encourage international cooperation in the field of education, including working closely with the UNESCO and foreign governments and Universities.

## New Approach

The future belongs to India-the largest vibrant democracy in the world, teeming with opportunities. With hope in their eyes and a yearning to learn, the youth of this great nation awaits a new paradigm of education that fosters knowledge with analytical skills, logical reasoning and the ability to imagine beyond the given; that aims at transforming lives by instilling 21st century skills and stimulating lifelong learning. The commitment of the Ministry of Human Resource Development (MHRD) for the future and its steps, so far, are in this direction. It is this approach that will define the thrust areas and make sure we achieve our goals with the right value system, sensitivity and responsibility. New initiatives with fresh approach taken by the Ministry during 2014-15 are area-wise highlighted

below:

**Regulator Review**

(i) University Grants Commission Lots of private institutions have come up in higher education sector with the growing trend of commercialization. They sometimes are not maintaining the laid down standards. UGC's entire functioning continues to be oriented more towards grant giving rather than regulation and enforcement of minimum standards. The Central Government, therefore, recognizing the need for restructuring the University Grants Commission has constituted a UGC Review Committee, on 30th July, 2014.

(ii) All India Council for Technical Education The MHRD, recognizing the need for restructuring and strengthening the All India Council for Technical Education to address imperatives and challenges in the Technical Education Sector for fullest realization of the higher/technical learning and research potential in the Country, has constituted the AICTE Review Committee. The Committee is to conduct a review of the present status of AICTE and suggest restructuring and reorganizing of AICTE for attaining even better performance to meet the desired objectives.

(iii) National Ranking Framework A Committee on National Ranking Framework under the chairmanship of Secretary (HE) has been constituted to evolve a ranking framework for Universities and Institutions. Workshops were organized in coordination with the THER and the QS ranking agencies to address various ranks parameters. The MHRD & MHA are collaborating to address employment VISA requirements which aims at increasing the number of foreign faculty. This will help improve the internationalization parameter in various ranking systems

(iv) Mandatory Accreditation National Assessment and Accreditation Council had submitted a project proposal to MHRD under Rashtriya Ucchatar Shiksha Abhiyan (RUSA) and has been sanctioned ` 17 crores. The major features of the National Quality Renaissance Initiative (NQRI) are

- Awareness building, popularisation and promotion of quality assurance mentoring Higher Education Institutions,
- (Building collegium of assessors.

**19 New Higher Educational Institutions**

Five IITs - Andhra Pradesh, Jammu & Kashmir, Chhattisgarh, Goa, Kerala, Six IIMs - Himachal Pradesh, Andhra Pradesh, Punjab, Maharashtra, Bihar, Odisha, Four New Central Universities – Andhra Pradesh (1 Central University & 1 Tribal University), Bihar (Mahatma Gandhi Central University), One IISER – Andhra Pradesh, One NIT Andhra Pradesh, One IIIT – Andhra Pradesh, One Tribal University - Telengana .

**Bachelor of Vocational Studies**

The UGC has introduced the scheme for B.Voc degree with multiple exits at Diploma/ Advanced Diploma under National Skill qualification Framework (NSQF). The Objectives - (i) to enhance the employability of youth (ii) to maintain their competitiveness through provisions of multi-entry multi-exit learning opportunities and vertical mobility, (iii) to fill the gap between educated and employable and (iv) to reduce the dropout rate at the secondary level. Currently, 2035 schools across 25 States are implementing the scheme.

**Education Sector Skill Council**

Education Sector Skill Council was constituted on September 2014, to consider job roles other than academic faculties and teacher qualifications. The functions of the SSC, include Setting up of Labour Market Information System (LMIS) to assist planning and delivery of training Identification of skill development needs and preparing a catalogue of skill types Develop a sector skill development plan and maintain skill inventory Developing skill competency standards and qualifications AICTE is anchoring the initiative as the Lead Organisation.

**Relationship between GER and GDP in India**

Prakash (2007) says that considering the demand for Higher education, the GER in India in relation to many of the developed countries is quite low around 12% compared to the average of the developing countries' 13%, the world 26.7% and the developed nations 57.7%. He further states that if we wish to make our economy in the 21st century a "knowledge economy", we have to increase the GER to the tune of 20%. The Higher Education system contributes enormously to nation building given India's demographic make-up, the lacunae that we have inherited from the British Raj as well as the plain fact of being a developing economy. A quick survey of chronological evolution of the two systems reveals that insularity and parochialism have stunted our growths on both the fronts. Thankfully, the policy makers and the government have understood our failings and weaknesses and have taken deliberate measures to rediscover ourselves as "knowledge economy".

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